

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF PENNSYLVANIA**

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<b>In re:</b>	<b>:</b>	<b>CHAPTER 11</b>
	<b>:</b>	
<b>ISLAND VIEW CROSSING II, L.P.</b>	<b>:</b>	<b>BANKRUPTCY NO. 17-14454(ELF)</b>
	<b>:</b>	
<b>Debtor</b>	<b>:</b>	
	<b>:</b>	

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**EXHIBITS “A” AND “B” TO DISCLOSURE STATEMENT WITH RESPECT TO  
PLAN OF LIQUIDATION PROPOSED  
BY KEVIN O’HALLORAN, AS CHAPTER 11 TRUSTEE FOR THE BANKRUPTCY  
ESTATE OF ISLAND VIEW CROSSING II, L.P.**

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**KARALIS PC**  
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Dated: May 26, 2021

**EXHIBIT “A”**

Projections

ISLAND VIEW CROSSING II, LP  
FOR SETTLEMENT & DISCUSSION  
ONLY

CASH FLOW BUDGET PROJECTION

ACTUAL-

	OCT 2018 thru MAR 31, 2021	Apr-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	Oct-21	Nov-21	Dec-21	Jan-22
<b>MAIN RECEIPTS</b>	\$ 122	\$ 1,397,508	\$ 2,483,733	\$ 2,538,804	\$ 3,077,770	\$ 2,090,593	\$ 1,559,763	\$ 1,754,114	\$ 2,176,185	\$ 3,175,438	\$ 3,082,567
BKRE Loan Funding	\$ 4,732,377	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BKRE Admin Claim	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt											
Townhome Sales less closing costs & release amounts required at closing <small>(See Note 1 below)</small>	\$ 5,984,247	\$ 1,320,475	\$ 735,300	\$ 1,070,138	\$ 735,300	\$ 291,713	\$ 1,138,725	\$ 1,058,725	\$ 1,344,500	\$ 1,133,725	\$ 925,875
Other Income	\$ 65										
Proceeds from Sale of Phase II											
<b>Total Receipts</b>	<b>\$ 10,916,689</b>	<b>\$ 1,320,475</b>	<b>\$ 735,300</b>	<b>\$ 1,070,138</b>	<b>\$ 735,300</b>	<b>\$ 291,713</b>	<b>\$ 1,138,725</b>	<b>\$ 1,058,725</b>	<b>\$ 1,344,500</b>	<b>\$ 1,133,725</b>	<b>\$ 925,875</b>
<b>DISBURSEMENTS (See supporting schedules for line items.)</b>											
Site Improvements	\$ 1,421,142	\$ -	\$ -	\$ -	\$ 313,600	\$ -	\$ 85,000	\$ -	\$ -	\$ 84,090	
Construction costs	\$ 4,758,496	\$ 193,244	\$ 598,439	\$ 422,178	\$ 1,237,000	\$ 741,125	\$ 866,250	\$ 481,250	\$ 317,625	\$ 346,500	\$ 231,000
Pre-File Costs	\$ 1,802,777	\$ 38,877	\$ 79,752	\$ 107,002	\$ 57,952	\$ 79,752	\$ 76,482	\$ 68,852	\$ 26,160	\$ 59,042	\$ 48,142
RDA Admin-Interest pmts	\$ 100,843	\$ 2,129	\$ 2,038	\$ 1,993	\$ 1,925	\$ 1,665	\$ 1,552	\$ 1,462	\$ 1,348	\$ 1,258	
RDA Page											
RDA Pre-Scheduled Principal pmts	\$ 585,000	\$ -	\$ -	\$ -	\$ 117,000	\$ -	\$ -	\$ -	\$ -	\$ -	
RDA Fees & Loan Costs	\$ 70,554										
BKRE Admin Claim Repayment	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Additional BKRE loan payoff amounts											
Loan Origination Expenses	\$ 70,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
<b>Filed Document</b>											
<b>Total Disbursements</b>	<b>\$ 9,008,812</b>	<b>\$ 234,250</b>	<b>\$ 680,229</b>	<b>\$ 531,172</b>	<b>\$ 1,722,477</b>	<b>\$ 822,542</b>	<b>\$ 944,374</b>	<b>\$ 636,654</b>	<b>\$ 345,247</b>	<b>\$ 406,890</b>	<b>\$ 364,490</b>
<b>TOTAL RECEIPTS LESS DISBURSEMENTS</b>	<b>\$ 1,907,877</b>	<b>\$ 1,086,225</b>	<b>\$ 55,071</b>	<b>\$ 538,965</b>	<b>\$ (987,177)</b>	<b>\$ (530,830)</b>	<b>\$ 194,351</b>	<b>\$ 422,071</b>	<b>\$ 999,253</b>	<b>\$ 726,835</b>	<b>\$ 561,385</b>
<b>HDC Professional Fees &amp; Trustee Commission</b>	<b>\$ (72,633)</b>										
Off 1-Tax Claim Bureau	\$ (437,858)										
Class 7-Pre-Petition Judgment Claims											
Class 8-Priority Claims											
Class 9-General Unsecured Claims											
7- Month End Balance	\$ 1,397,508	\$ 2,483,733	\$ 2,538,804	\$ 3,077,770	\$ 2,090,593	\$ 1,559,763	\$ 1,754,114	\$ 2,176,185	\$ 3,175,438	\$ 3,082,567	\$ 3,642,046
<b>SEE Accompanying Footnotes to Cash Flow Projection</b>											

**ISLAND VIEW CROSSING II, LP**  
**FOR SETTLEMENT & DISCUSSION**  
**ONLY**

**CASH FLOW BUDGET PROJECTION**

	Feb-22	Mar-22	Apr-22	May-22	Jun-22	Jul-22	Aug-22	Sep-22	Oct-22	Nov-22	Dec-22
<b>Beginning Balance:</b>	\$ 3,642,046	\$ 3,615,909	\$ 3,955,839	\$ 4,486,064	\$ 4,455,363	\$ 3,281,321	\$ 2,986,899	\$ 2,720,818	\$ 2,785,366	\$ 3,019,985	\$ 2,498,904
<b>RECEIPTS</b>											
BKRE loan Funding											
BkRE Admin Claim	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Disbursements</b>											
Townhome Sales less closing costs & release amounts required at closing (See Note 1 below)											
Other Income											
Gross Proceeds from Sale of Phase II	\$ 5,400,000										
<b>Total Receipts</b>	<u>\$ 280,200</u>	<u>\$ 5,998,300</u>	<u>\$ 651,425</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,145</u>	<u>\$ 793,851</u>	<u>\$ -</u>	<u>\$ -</u>
<b>DISBURSEMENTS [See supporting schedules for line items.]</b>											
SGC improvements	\$ 80,040	\$ 140,040	\$ 95,040	\$ -	\$ 60,000	\$ -	\$ 60,000	\$ -	\$ 510,000	\$ 510,000	\$ -
Construction costs	\$ 192,500	\$ 38,500	\$ -	\$ -	\$ 255,000	\$ 255,000	\$ 255,000	\$ -	\$ 49,232	\$ 11,082	\$ 39,422
Pre-Recov costs	\$ 30,702	\$ 78,662	\$ 26,160	\$ 30,702	\$ 59,042	\$ 39,422	\$ 11,082	\$ 47,597	\$ -	\$ -	\$ -
RDA Loan-Interest pmnts	\$ 1,190	\$ 1,167	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Enter 4</b>											
RDA Non-Scheduled Principal pmnts	\$ -	\$ 612,100	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RDA Fees & Loan Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
BkRE Admin Claim Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Additional BKRE loan payoff amounts	\$ -	\$ 4,669,463	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Legal/Ergonomics Expenses											
<b>Filed Document</b>											
<b>Total Disbursements</b>	<u>\$ 304,432</u>	<u>\$ 5,539,932</u>	<u>\$ 121,200</u>	<u>\$ 30,702</u>	<u>\$ 374,042</u>	<u>\$ 294,422</u>	<u>\$ 266,082</u>	<u>\$ 107,597</u>	<u>\$ 559,232</u>	<u>\$ 521,082</u>	<u>\$ 549,422</u>
<b>Subtotal Receipts Less Disbursements</b>	<u><u>\$ (24,232)</u></u>	<u><u>\$ 458,368</u></u>	<u><u>\$ 530,225</u></u>	<u><u>\$ (30,702)</u></u>	<u><u>\$ (374,042)</u></u>	<u><u>\$ (294,422)</u></u>	<u><u>\$ (266,082)</u></u>	<u><u>\$ 64,548</u></u>	<u><u>\$ 234,619</u></u>	<u><u>\$ (521,082)</u></u>	<u><u>\$ (549,422)</u></u>
<b>H&amp;C related expenses</b>											
<b>Professional Fees &amp; Trustee Commission</b>											
Class 1-Tax Claim Bureau	\$ (1,906)	\$ (118,437)			\$ (800,000)				\$ (800,000)		
<b>Class 7-Pre-Petition Judgment Claims</b>											
Class 8-Priority Claims											
<b>Class 9-General Unsecured Claims</b>											
Month End Balance	\$ 3,615,909	\$ 3,955,839	\$ 4,486,064	\$ 4,455,363	\$ 3,281,321	\$ 2,986,899	\$ 2,720,818	\$ 2,785,366	\$ 3,019,985	\$ 2,498,904	\$ 1,149,482
<b>See accompanying footnotes to Cash Flow Projection</b>											

**ISLAND VIEW CROSSING II, LP  
FOR SETTLEMENT & DISCUSSION  
ONLY**

**CASH FLOW BUDGET PROJECTION**

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	TOTALS
<b>Beginning Balance:</b>	\$ 1,149,482	\$ 1,141,960	\$ 1,682,879	\$ 2,706,837	\$ 3,226,755	\$ 4,277,674	\$ 5,344,327	\$ 5,646,320	\$ 122
<b>RECEIPTS</b>									
BKRE Loan Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,732,377
BKRE Admin Claim	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
<b>Debt Repayment</b>									
Townhome Sales less closing costs & release amounts required at closing <small>(See Note 1 below)</small>	\$ 531,000	\$ 1,062,000	\$ 1,593,000	\$ 531,000	\$ 1,062,000	\$ 1,906,075	\$ 313,075	\$ -	\$ 25,332,793
Other Income									\$ 65
Proceeds from Sale of Phase II									\$ 5,400,000
<b>Total Receipts</b>	<b>\$ 531,000</b>	<b>\$ 1,062,000</b>	<b>\$ 1,593,000</b>	<b>\$ 531,000</b>	<b>\$ 1,062,000</b>	<b>\$ 1,906,075</b>	<b>\$ 313,075</b>	<b>\$ -</b>	<b>\$ 35,565,235</b>
<b>DISBURSEMENTS (See supporting schedules for line items.)</b>									
Site Improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,338,953
Construction costs	\$ 510,000	\$ 510,000	\$ 510,000	\$ 510,000	\$ 510,000	\$ 510,000	\$ 510,000	\$ 510,000	\$ 14,244,107
Pre-File Costs	\$ 28,522	\$ 11,082	\$ 59,042	\$ 11,082	\$ 11,082	\$ 39,422	\$ 11,082	\$ 39,422	\$ 3,078,622
Rebates/Interest pmts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 120,214
RDA Pre-Scheduled Principal pmts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
RDA Fees & Loan Costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,314,100
BKRE Admin Claim Repayment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,554
Additional BKRE loan payoff amounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Legal/Origination Expenses									
<b>Total Disbursements</b>	<b>\$ 538,522</b>	<b>\$ 521,082</b>	<b>\$ 569,042</b>	<b>\$ 11,082</b>	<b>\$ 11,082</b>	<b>\$ 39,422</b>	<b>\$ 11,082</b>	<b>\$ 39,422</b>	<b>\$ 26,106,012</b>
<b>Subtotal-Receipts Less Disbursements</b>									
Doc related expenses	\$ (7,522)	\$ 540,918	\$ 1,023,958	\$ 519,918	\$ 1,050,918	\$ 1,866,653	\$ 301,993	\$ (39,422)	\$ 9,459,223
Commission									
Class 1-Tax Claim Bureau									
Class 4-6 Judgment Claims									
Class 7-Pre-Petition Judgment Claims									
Class 8-Priority Claims									
Class 9-General Unsecured Claims									
7-Month End Balance	\$ 1,141,960	\$ 1,682,879	\$ 2,706,837	\$ 3,226,755	\$ 4,277,674	\$ 5,344,327	\$ 5,646,320	\$ 1,040,371	\$ 1,040,371
<b>See Accompanying Footnotes to Cash Flow Projection</b>									

**ISLAND VIEW CROSSING II, LP  
FOR SETTLEMENT & DISCUSSION  
ONLY  
FOOTNOTES TO CASH FLOW  
BUDGET PROJECTION**

Note 1- Total gross sales price received on 19 units settled through 3/31/21 is \$7,020,260. The total projected gross price on remaining units is \$24,384,000 for a total of \$31,404,260.

Note 2-Closing on sale of Phase 2 projected to occur in March, 2022. An estimated gross sale price of \$6,000,000, after payment of estimated closing & misc. costs of \$600,000, the balance of the sales proceeds would be \$5,400,000 which would be used to pay principal reduction payments to (i) the RDA of \$612,100, (ii) the Post-Petition Lender of \$4,669,463 and (iii) the Class 1 Tax Claim Bureau of \$118,437.

**Note 3:**

The Prudential release prices for Phase 1 will result in Prudential being paid a total of \$2,585,000 from the sale and closing of the 73 residential units in Phase 1. The unpaid principal balance of the Prudential Class 3 Claim after the sale and closing of the 73 residential units in Phase 1 would be \$1,507,444.

**Note 4:**

The remaining cash at the end of this projection is an estimate based on all the assumptions in this projection being realized as projected including the sale of Phase 2 for a gross sale price of \$6,000,000. To the extent any assumption is not realized as projected, the ending cash balance would need to be adjusted accordingly. These projections do not include any estimated recovery in connection with the Trustee's Actions against Prudential.

**Note 5:**

The general unsecured claims total approximately \$3,166,651. The Trustee has not yet determined the objections to claims, if any, that he may file on or before the Claims Objection Deadline. The Trustee will complete his review prior to the Claims Objection Deadline and file any objections that he deems appropriate.

**EXHIBIT “B”**

Liquidation Analysis

<u>ASSETS</u>		<u>Amount</u>
Cash		\$ 3,175,438
State Street Receivable		\$ 45,000
<b>Phase 1 (approved/improved for a total of 73 townhomes)</b>		\$ -
Riverfront Lots/Units	15	\$ 1,500,000
Lots on which vertical construction has commenced	4	\$ 150,000
Lots on which vertical construction is partially completed	3	\$ 675,000
Lots on which vertical construction is completed or substantially complete	7	\$ 2,100,000
<b>Subtotal</b>		<b>\$ 7,645,438</b>
Phase 2 Land (approved/improved for 96 condominium units)		\$ 2,500,000
Trustee's Actions against Prudential		TBD FN 1
Trustee's 11 U.S.C. § 506(c) Claims		TBD FN 1
Office & Site Equipment (Model Furnishings, etc.)		Negligible Value
<b>TOTAL ASSETS</b>		<b>\$ 10,145,438</b>

<u>LIABILITIES</u>	<u>Amount</u>
<u>Accounts Payable</u>	<u>603,000</u>

Secured Claims

Bucks County Tax Claim Bureau Claim (Class 1)	\$ 118,437
Redevelopment Authority of Bucks County Claim (Class 2)	\$ 835,600
Post-Petition Loan Claim (unclassified claim)	\$ 5,667,086
Prudential Construction Loan Claim (Class 3)	\$ 2,937,444
Prudential Disputed IVC-Durham Loan Claim (Class 4)	\$ - FN 2
Disputed Steeple Run Collateral Mortgage Claims (Class 5)	\$ - FN 2
Disputed Calnshire Collateral Mortgage Claim (Class 6)	\$ - FN 2
Pre-Petition Judgment Claims (Class 7)	\$ - FN 3
<b>Total Secured Claims</b>	<b>9,558,567</b>

Chapter 11 Administrative Claims

Professional Fee Claims incurred by Debtor	\$ 168,276
Professional Fee Claims and Trustee Commissions incurred by interim trustee	\$ 21,035
Professional Fee Claims and Trustee Commissions incurred by the Trustee	\$ 3,942,000
<b>Total Chapter 11 Administrative Claims</b>	<b>4,131,311</b>

<b>Priority Claims (Class 8)</b>	<b>\$ 17,800</b>
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Chapter 7 Administrative Claims

Trustee Commission Estimated at 3% of sales price	\$ 157,750 FN
Professionals/Insurance/Security	\$ 400,000 FN
<b>Total Chapter 7 Administrative Claims</b>	<b>\$ 557,750</b>

<b>Total Secured, Administrative and Priority Claims</b>	<b>\$ 14,868,428</b>
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<b>SUMMARY</b>	
Liquidation Value of Assets	\$ 10,145,438
Less: Secured, Administrative and Priority Claims	\$ 14,868,428
Amount Available for Unsecured Creditors	\$ (4,722,990)

FN 1: This Claim has not yet been determined by the Court.

FN 2: Assumes this Claim is Disallowed.

FN 3: Assumes these Claims are undersecured in chapter 7 liquidation.